



REVISIONS TO MISSOURI WORKERS COMPENSATION LOSS COSTS

As announced in the [press release of June 9, 2006](#), the Missouri Department of Insurance (“the Department”) has determined that historical payrolls used to establish the National Council on Compensation Insurance’s (NCCI’s) advisory loss costs for the years 2003, 2004 and 2005 were understated. This understatement of payroll caused an overstatement in some of the advisory loss costs, which some insurance companies use to develop their final rates. The Department has ordered the NCCI to recalculate and refile the loss costs in the affected years and affected classification codes. To reflect those revisions in the loss costs underlying their final filed rates, if any, insurers were also ordered to make refunds or premium adjustments on all affected policies.

There are certain circumstances under which a policyholder will **not** receive a refund or premium adjustment to their policies in the affected years. These circumstances can include, but are not limited to:

- 1) The policyholder did not have any payroll in the affected classification codes;
- 2) The insurance company did not adopt or utilize the loss costs in any or some of the years in question;
- 3) The policy is retrospectively rated (premium adjusted for actual losses incurred during policy period);
- 4) The impact to the policy in a given policy year was less than \$10.

Affected policyholders will be contacted by their insurer. Policyholders should wait for notification from their insurance company before calling anyone. The Department estimates that most refunds and/or adjustments will be resolved before the end of 2006.

Policyholders should contact their insurance agent or insurance company if they have questions after they have received notification from their insurance company.

Revisions to the January 1, 2003, January 1, 2004 and January 1, 2005 loss costs will be made to the following classification codes:

Loss Costs effective January 1, 2003:

0016	1463	1624	2923	3030	3076	3724	4410	4431	5022
5057	5059	5183	5190	5215	5221	5222	5348	5403	5445
5472	5474	5479	5480	5506	5551	5606	5645	6702	6703
6704	7229	7380	7421	7855	8006	8033	8058	8227	8232
8265	8288	8350	8391	8829	9014	9093			

Loss Costs effective January 1, 2004:

1463	2923	3030	4410	4431	5479	5515	6702	6703	6704
7421	7855	8006	8227						

Loss Costs effective January 1, 2005:

0016	1463	2923	3030	4000	4431	5215	5222	5506	5515
5606	6702	6703	6704	7370	7855	8033	8227	8293	8391
8805	8810	8814	8815						

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